

The State of Minnesota has made changes to the timing of state aid payments, causing an adverse effect on the district's cash flow position at certain times of the year. Without borrowing, the district's projected cash balance will only be sufficient through November 2010.

The current market could produce a positive spread between the investment yield and the borrowing cost. However, the district may not be able realize any proceeds as the cash is needed for operation. The borrowing cost for twelve month term, net of discount or premium, is unlikely to exceed \$30,000.

The Minnesota Credit Enhancement Program is used by most Minnesota public school districts to obtain a more favorable certificate rating. Becker is approved to borrow \$3,000,000. The certificates of indebtedness were bid in June and will be opened on July 26th.

A representative from Ehlers and Associates will be present to distribute the bid tabulation, identify the low bidder, and present the resolution.

Joe Prom and I recommend approving the Resolution Relating To \$3,000,000 General Obligation Aid Anticipation Certificates Of Indebtedness, Series 2010A; Authorizing the Issuance, Awarding The Sale And Establishing The Terms Thereof (resolution will be distributed by Ehlers during the meeting.)